

Ambassador Matthew Bryza
Press Conference
December 29, 2011

Ambassador Bryza: Thank you so much. I apologize for being late. I was in the middle of a signing ceremony at the Foreign Ministry, and we needed a little bit more time to finalize the document.

I'm starting not to like this room, because now this is the second time that I've ended an assignment that I love when I've been here, talking to many of you. I loved the press conference when I was finishing up my tenure in the Minsk Group, and I hope this one will be as enjoyable.

I'd like to take just a couple of minutes to summarize, at least from my perspective, what's been accomplished during the past 11 months of this year, what the highlights are, and what the challenges are that remain.

Just before I left Washington last year, as I was telling some colleagues and friends at the Free Thought University last night, I sat down with some of my Washington friends to take a look at what could be accomplished over the course of my tenure here in Azerbaijan. My friends and colleagues suggested that because our relationship was so tense at that point, to be realistic, the best I could hope for would be that maybe we could improve the tone in the U.S.-Azerbaijan relationship.

I humbly submit that together we've done a pretty good job in restoring trust in U.S.-Azerbaijan relations as well as restoring a sense not only of partnership or strategic partnership, but of friendship between our two countries. That should be the normal state of being in our bilateral relationship because we are friends and because we do share such significant strategic interests. We're able to return to a state of normalcy not because of anything I did, but because of the incredibly warm and collaborative reception that I enjoyed from my team at the embassy and from all of you -- not only journalists but Azerbaijanis everywhere across the country.

This job has been the most enjoyable, the most complicated and the easiest job I've ever had a chance to do. It's obvious why it's complicated, but why it's been so easy is because of what I just said. We have an incredible staff at our embassy that's committed deeply to this partnership and to helping our capital appreciate

what we can do together and to help getting all of our Azerbaijani friends to understand what we can achieve together as well.

Whatever issue we were dealing with, there was always, always a friendly partner on the Azerbaijani side with which our embassy -- whether again, those colleagues in the Azerbaijani side were in the media, were government officials, were civil society, or just common Azerbaijanis.

So what have we accomplished over the course of these last 11 months? I always like to conceive of our relationship with Azerbaijan according to our policy which is we have these three sets of strategic interests -- security, energy, and internal reform.

On security we've not only restored, but we've energized an enormous range of cooperative programs between our two militaries. We've also intensified cooperation in a new area which is protecting critical energy infrastructure to the Caspian Sea against either natural disasters or [inaudible]. We completed the major part of our cooperation with Azerbaijan to help it develop a Coast Guard that is capable of seeing and looking out into the Caspian Sea, identifying any ship or vessel that may be a problem, and intercepting it. We sustained and in fact deepened our cooperation in Afghanistan both in terms of our transit to Afghanistan and our cooperation on the ground.

Every year in recent years there have been approximately 5,000 non-combat military flights of U.S. aircraft over Azerbaijan to Afghanistan. So well over 100,000 U.S. soldiers have flown over Azerbaijan during this period. Unfortunately they didn't get a chance to stop here and enjoy this beautiful country. Over one-third of all of the non-lethal equipment, fuel, the clothing and food that is used by our soldiers in Afghanistan travels right through Baku. Meaning on the ground through the Port of Baku in addition to what flies over.

So Azerbaijan has emerged as a crucially important transportation route for supporting operations in Afghanistan, and that route is now becoming a very important commercial asset for Azerbaijan.

Finally on security, obviously no issue is more important than our commitment to secure a peaceful and fair settlement of the Nagorno-Karabakh conflict. The base event in that regard this year was the meeting between the presidents in Kazan, Russia, back in June, on June 25th. Personally I believe that was an extremely important meeting and one that did not slow the process, but in fact allowed for the

clarification of some issues that are of critical importance to both sides, but especially to Azerbaijan. I honestly believe thanks to that clarification the way is being cleared for there to be resumed progress once the presidents get back together again, which we hope will happen soon in the new year.

And of course we hope to see increased confidence-building measures, along the Line of Contact, but also between the two societies through people-to-people exchanges.

We always say, the Co-Chairs in my old job, or my job now as Ambassador, there is no military solution to the conflict. That is something I deeply believe. The point is not that Azerbaijan or Armenia, but really Azerbaijan in this case, doesn't possess skillful, courageous soldiers and strong military capabilities. That's not the point. The point is that the only way to resolve this conflict is to end the action/reaction cycle of violence and then more violence. That will go on indefinitely until there is a fair and peaceful settlement that's negotiated by both sides.

So the other side of the coin of what I just said about there not being a military solution is that there is no status quo. We can't simply allow the negotiations to drift and drift and drift because both sides demand that there be progress for a negotiated solution.

That's security.

I promised not to talk about energy, internal reform as long. But on energy, this has also been an incredibly successful year. For most of the last six years, whether I was working in our White House or at our State Department, one of the issues I worked hardest on was helping Turkey and Azerbaijan and the companies come together and reach agreement on the transit of Azerbaijan's natural gas across Turkey and into the rest of Europe. After six years of difficult negotiations, a breakthrough agreement finally occurred on October 25th. So I anticipate that in the coming months and coming years we'll see a whole series of decisions now unlocked by this big package of agreements that will lead to an almost doubling of private investment or international investment in Azerbaijan's energy sector, and a whole new generation of natural gas production and transportation to Europe. As it emerges, the Southern Corridor will play a significant and historic role, not only in the South Caucasus but in Europe as well. That's because the Southern Corridor will make it impossible for anyone -- company or country or group of companies or countries -- to monopolize the supply of natural gas to our friends and our allies

in Europe. Ultimately everyone is going to benefit from this development, even those who seek to maintain a monopoly, because they will have to become more competitive and therefore they'll be more efficient and they'll be stronger companies and they'll make more money ultimately.

Finally, I'd like to say a few words about the achievements and the challenges that pertain to democratic and market economic reform. That's a very complicated picture. We're all familiar with the criticism of myself, my government, the West, about shortcomings on democratic reform and human rights, and the areas where a lot more should be done and I hope will be done.

We repeatedly have expressed our views in public and worked hard in private to create the opportunity for people to express their views freely whether in the open air or in private spaces. We've called for all of those who are arrested for expressing their views in any way, whether as journalists or as protesters, to have full due process, to have all their legal rights respected by the government, and we've called for the release of journalists and other activists who have been imprisoned in some of these cases. We also recognize the need for much more progress on property rights, making sure that the provision of eminent domain is implemented in taking people's property in a way that is in full accordance with the law.

So we're working together on all those areas, as well as the fight against corruption.

But that doesn't tell the full story. If we're fair and if we're honest, we also need to recognize some good things that have happened. Eynullah Fatullayev was released. And just recently Jabbar Savalanli was released. Yes, we want many other people to be released, but we have worked hard for months, or in the case of Mr. Fatullayev, the international community for years to encourage the government to do what it did, which is to release him.

On the economic side we have seen, not just over the last year, but in the past six, seven or eight years, that the government of Azerbaijan has taken many steps that we've encouraged it to take as well in the economic sphere.

As you know, gross domestic product, or the size the economy, has tripled since 2004. Since 2003 poverty has dropped from 49 percent to 90 percent by officials and business. Even if you say that those government statistics, official statistics on a level of poverty today are 100 percent wrong, and that the real rate is not 9

percent but 18 percent, still, a drop from 49 percent in 2003 to 18 percent today is dramatic.

Finally, we spend a lot of time telling our colleagues in the Azerbaijani government that it's important to diversify economic growth and not rely so much on oil and natural gas for generating the country's income. And we do see now that the growth rate is shifting away from oil and gas and now toward the non-oil sectors. This year a little over one percent, 1.2 percent growth in oil and gas versus over 9 percent growth in the non-energy sector this year. So to sum it all up, there are more positive things happening in this country, especially in terms of economic reform, than many people outside of Azerbaijan realize.

There's plenty of work left to do on democratic and human rights reform, and we have major achievements in a few other sets of our strategic interests, which are energy and security.

So Azerbaijan is an important country for us in all those areas, and we need to keep working on all three sets of those interests simultaneously.

Thank you for listening, and I'd love to take any questions.

Question from Bizim Yol Newspaper : [Through Interpreter]. Before getting to the question, as a person who knows you closely, I would like to express my sadness for your departure from the country so soon.

Mr. Ambassador, my question would be about the status of democracy in the country. As you know our government has applying the Putin sovereign democracy model. Recent developments in Russia proved this model being wrong.

My question would be, as our government would be shifting to the people's democracy and our people would be more active, if the American's dream will take place in Azerbaijan, will the United States support these types of activities?

Ambassador Bryza: The United States supports the rights, the universal human rights of Azerbaijanis and all people which include freedom of assembly and freedom of expression. But we don't support or try to spread revolution. Revolutions have unpredictable consequences and are often conducted in ways that are not in accordance with the rule of law.

I personally don't think there is any chance there is going to be the equivalent of an Arab Awakening in Azerbaijan, or an Azerbaijani Awakening. I don't think the factors are in place here as they were in Tunisia or in Egypt, especially economic factors that drove people to such desperation. The revolutionaries in Egypt and Tunisia were largely people who were facing economic desperation. But they weren't exclusively people facing economic desperation.

In Azerbaijan I feel that within the government there are very enlightened officials who deeply embrace the need to liberalize and modernize the society and reform the education system, for example, so that kids learn to think in a critical way. There are enlightened officials who understand the need to open the economy and to create more opportunity and diffusion of power, both economic and political, throughout society.

There is surprisingly strong cooperation between the Presidential Administration, Parliament, civil society, and international friends like the United States on important legal reforms. But there are a lot of people who don't support those sorts of steps forward. So I look at our job as working with all those people who care in government, civil society, media, who embrace the importance of such reforms and to put as many of those reforms in place as quickly as possible because, just as in the case of Nagorno-Karabakh, within society also there is no status quo. Reality is one of change, constantly.

Question from Azadliq Gazette, Seymour Hazi: Mr. Ambassador, you were only a short time in your work here in Azerbaijan. You are remembered by your many statements. We know that in his letter President Obama to the Azerbaijani President he talked about the existence of many problems in U.S.-Azerbaijani relations and in his reply letter President Ilham Aliyev confirmed the existence of these problems and the necessity of their solution. And in the position of the General Assembly of the United Nations, many foreign countries including Azerbaijan were sharply criticized and afterwards meeting between President Obama and Ilham Aliyev in negotiations. The talks were conducted in that context.

My question would be: have the problems existing between the two countries been resolved? You mentioned about one success, one achievement, which is the gas deal between Turkey and Azerbaijan. I'd like to know whether this achievement is ascribed to the United States?

Ambassador Bryza: First of all, I just spent too much time running through a whole series of achievements or elements of progress as I observed them throughout this last year here, whether it's on democratic reform, economic reform, energy or security, so I refer you to my previous words in terms of what we've accomplished together.

On energy, I would say that success is entirely that of Azerbaijan, Turkey and the companies that are involved in developing the pipelines. The United States will never consume any of the natural gas that will move through the Southern Corridor. There's no major American company that's playing a major role in the development of that export route or in developing the natural gas production in the Shah Deniz Field.

So our role is not a direct one. Our role is one of helping the parties come to the agreement they reached by being on the margins, on the outside, and helping each side understand the other one a little bit better. I think we did that extremely well.

I'm grateful to my previous boss, someone whom I deeply admire, Ambassador Richard Morningstar for helping parties achieve their own success.

Question from ANS TV, Lamiya: Mr. Ambassador, you just recently said mentioned that the U.S. and Azerbaijan share a strategic interest regarding Afghanistan. Two days ago Azerbaijan refused permission of the NATO airplanes to fly over Azerbaijani airspace toward Afghanistan. How do you think, was that reasonable and what will be the position of the United States afterwards? And there are rumors going around that you are going to stay in Baku, live here and work after your post is going to end.

Ambassador Bryza: Before I answer the first question I'd like to pause for a moment and remember the crew of the Silk Ways Airline Ilyushin 76 that crashed I think on July 8th this year, trying to fly into Bagram Airport. Those brave men gave their lives in cooperation with us to maintain this transfer into Afghanistan that is so critical for all of our soldiers on the ground. So we're forever indebted to them and their families.

In terms of permissions to fly over Azerbaijan, actually I don't think that information is correct. I've heard nothing about Azerbaijan denying permission. I've heard that the government of Azerbaijan would like to reconsider the procedures used to grant permission for those flights over Azerbaijani territory. That issue is under discussion right now.

As for my own future no, I love this city, but I'm not planning to leave Baku now and then begin working here. I'm going to go to Washington pretty soon here, because unless by some unimaginable miracle, the United States Senate decided to vote, to come back from vacation and vote or allow the vote to happen, I will have to leave by the time the new Congress begins working, which is coming up next week, January 3rd.

Interpreter: [Seeking clarification] By some miracle the U.S. Senate decides to vote and you --

Ambassador Bryza: Unless that happens I will have to depart Azerbaijan as Ambassador before the next Congress begins its work, which will happen on January 3rd.

If it turns out by law I have to leave Azerbaijan, I'll go back to Washington.

Question from Yeni Musavat, Elshad Pashasoy: Mr. Ambassador, my question would be to you as a former [OSCE Minsk Group] Co-Chair. As you know, recently there are suggestions on the Turkish and Azerbaijani side to remove France from the Minsk Group. And also the U.S. recently provided aid to Armenia and Karabakh separatists. And [the U.S. is] also the country has not voted for the territorial integrity of our country and have abstained to confirm the territorial integrity of our country and is passing, some countries are passing the law for the criminal punishment for denial of the so-called Armenian genocide. Do you think in this context that Washington, which does not recognize Armenia as a de facto aggressor country, on the contrary, provides financial support to it. Does the U.S. have the right to be a member of Minsk Group? and can the Minsk Group process, given all these facts, bring about lasting peace to the Nagorno-Karabakh settlement?

Ambassador Bryza: Yes, and yes. I think the premise of the question is not exactly fair or accurate to say the United States doesn't have a right to be in the Minsk Group. We're in the Minsk Group because we were asked to be, and we are fair and we are impartial and based on my experience we brought the parties a long way towards an agreement.

But the premise of your question is not based entirely on fact. First of all, the United States never voted against Azerbaijan's territorial integrity in the United Nations General Assembly. We voted against a specific resolution at a moment

when we were working very actively with all parties to have some language that could be acceptable to all. That's the job of the mediator. But we never voted against Azerbaijan's territorial integrity. In fact, territorial integrity has to be one of the three cornerstones of a negotiated, peaceful fair agreement.

What we've done as Co-Chairs is help the presidents of the two countries come up with a formula that embraces the principle of territorial integrity as well as self-determination, as well as the non-use of force.

As for France in the Minsk Group, first, I haven't heard Azerbaijan asking for France to be removed from the Minsk Group. There may have been some statements out of Turkey, but I haven't heard any from Azerbaijani officials.

So France is and I fully expect will remain a co-chair of the Minsk Group.

Question in Russian from Echo Newspaper: asking for speculation on U.S. reaction to a hypothetical Iranian action in the Caspian Sea.

Ambassador Bryza: Like every diplomat, I will not answer a hypothetical question like is there a chance that Iran might take some military action in the Caspian Sea and how would the United States react? I can't answer a question like that.

What I can say is of course we are one of the strongest supporters anywhere in the world of Azerbaijan's independence, its sovereignty, and its territorial integrity, I would add. Even as we press hard for a Nagorno-Karabakh settlement that embraces territorial integrity, self-determination and non-use of force.

Azerbaijan is a special country in a small space, in part because it's the only country in the world that borders both Iran and Russia. Azerbaijan is also a very special country, leaving aside energy or Afghanistan, because it has a secular state with a Muslim majority population, in fact a predominantly Shiite population, but a population that is also filled with religious diversity. As it achieves its remarkable economic success, recently and into the future, it has also decided that its independence, and not just its prosperity, but its independence depends on its physical connection to the EuroAtlantic community via these pipelines and other transportation routes.

So as Azerbaijan succeeds in all these ways, and as the full range of reforms proceed, I suppose some people in the neighborhood are worried that Azerbaijan's

success could inspire people in this region and beyond to want the same sort of benefits, imperfect as they may be, that you enjoy here.

Thank you.

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